



PROSPER
PORTLAND
Building an Equitable Economy

DATE: March 12, 2025
TO: Board of Commissioners
FROM: Shea Flaherty Betin, Interim Executive Director
SUBJECT: Report Number 25-09
Approving the Terms of a Working Capital Term Loan to OpConnect Inc., in an Amount Not to Exceed \$2,000,000

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7599

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to execute a Working Capital Loan, with exceptions (Loan), to OpConnect Inc., (OpConnect) in an amount of up to \$2,000,000, at an interest rate of six percent. OpConnect is a local company that offers a comprehensive range of services to support the adoption of electric vehicles (EVs) and reduce greenhouse gases caused by transportation.

If approved, OpConnect intends to use Loan proceeds to purchase EV charging units and fund associated labor to execute the terms of a contract with Southern California Edison (SCE).

STRATEGIC ALIGNMENT AND OUTCOMES

The Loan aligns strategically with Advance Portland's goals of propelling inclusive economic growth and promoting equitable wealth creation by:

- Investing in traded sector cluster industries in which Portland has competitive advantage to increase access to quality job and business growth;
- Addressing barriers to growth, inclusion, or innovation in competitive industries; and
- Retaining and increasing commercial activity and supporting small businesses in the central city.

The Loan will also help secure the company's continued presence in Portland. OpConnect is forecasting the creation of 163 total jobs over the next three years, with 133 of those jobs based in Portland.

BACKGROUND AND CONTEXT

OpConnect is an EV charging company with a decade of experience in the industry, providing fleet, property, and facility managers with dependable and secure charging options. The company specializes in providing fleet charging solutions and operates under a 'Charging-as-a-Service' model, offering tailored charging infrastructure for municipalities and larger companies. This approach allows OpConnect to manage and optimize charging systems for fleet operators, ensuring efficiency and reliability.

OpConnect has achieved long-term success in the EV charging industry by growing sustainably, avoiding the pitfalls of aggressive growth seen in other companies when taking on heavy investment.

OpConnect’s focus has been on stabilization and strategic investment in research and development (rather than sales and rapid scaling), which has enabled it to develop a competitive software solution that integrates with clients’ systems and can be fully customized. This software has become OpConnect’s key competitive advantage in the EV industry.

OpConnect’s customer base is diversified with a portfolio that includes the City of Portland, PGE, Multnomah County, TriMet, Metro Nashville Public Schools, Beaverton School District, Cummins, Garden Communities, and others.

OpConnect’s contract with SCE is expected to generate \$35,000,000 to \$40,000,000 in revenue over the five-year term, based on contract prices and projects provided by SCE.

EQUITY IMPACT

OpConnect is a veteran-owned company that, as noted, is expected to create 163 jobs, with the vast majority based in Portland.

COMMUNITY PARTICIPATION AND FEEDBACK

Staff did not conduct any public participation specific to this Loan.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in the fiscal year (FY) 2024-25 Strategic Investment Fund Budget (see Attachment A).

RISK ASSESSMENT

While there is a risk that OpConnect will be unable to make Loan payments, that risk is mitigated by a recent history of positive net income.

ATTACHMENT

- A. Strategic Investment Fund Budget

STRATEGIC INVESTMENT FUND BUDGET

**Financial Summary
 Forecast**

<u>Strategic Investment Fund</u>	<u>Revision FY 2024-25</u>	<u>Requested FY 2025-26</u>	<u>Forecast FY 2026-27</u>	<u>Forecast FY 2027-28</u>	<u>Forecast FY 2028-29</u>	<u>Forecast FY 2029-30</u>
Resources						
Beginning Fund Balance	53,080,686	38,224,116	33,912,912	28,806,113	19,055,667	12,476,046
Revenue						
Fees and Charges	50,000	50,000	50,000	50,000	-	-
Interest on Investments	1,021,578	345,287	305,905	244,966	160,796	-
Loan Collections	2,564,055	3,488,844	6,265,724	1,195,359	1,058,544	-
Property Sales	68,511	-	-	-	-	-
Rent and Property Income	78,000	-	-	-	-	-
Reimbursements	22,570	-	-	-	-	-
Transfers In	4,900,371	4,100,670	-	-	-	-
Total Revenue	8,705,085	7,984,801	6,621,629	1,490,325	1,219,340	-
Total Resources	61,785,771	46,208,917	40,534,541	30,296,438	20,275,007	12,476,046
Requirements						
Economic Development						
Community Economic Development						
A00448-Neighborhood Prosperity Opportunity	560,222	-	-	-	-	-
A00639-Construction Tech Assist-WTH	335,000	160,000	76,093	50,000	-	-
Business Lending						
A00217-SBLF-General-SBL	6,680,460	2,000,000	2,000,000	1,000,000	602,342	-
Economic Development Total	7,575,682	2,160,000	2,076,093	1,050,000	602,342	-
Property Redevelopment						
Commercial Property Lending						
A00750-Predev/Construction Loans-REL	4,200,000	1,000,000	1,000,000	1,500,000	1,581,281	-
A00751-Acquisition/Perm Loans-RELF	3,800,000	-	-	-	-	-
A00772-Middle Income Housing-RELF	3,800,000	3,200,000	3,000,000	3,000,000	-	-
Real Estate Management						
A00329-MetroAuto Bldg & Lot-LTC	31,965	-	-	-	-	-
A00350-Cascade Stn-Prcl G-NOI	50,085	46,314	46,314	46,314	-	-
A00545-Cascade Station Prcl E-NOI	45,663	32,190	32,190	32,190	-	-
A00547-Cascade Station Prcl D-NOI	40,315	36,331	36,331	36,331	-	-
Real Estate Predevelopment						
A00752-NOI Fund-NOI	-	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
A00349-Cascade Station-APW	50,000	-	-	-	-	-
Real Estate Disposition						
A00547-Cascade Station Prcl D-APW	2,858,800	-	-	-	-	-
Property Redevelopment Total	14,876,828	8,314,835	8,114,835	8,614,835	5,581,281	4,000,000
Total Program Expenditures	22,452,510	10,474,835	10,190,928	9,664,835	6,183,623	4,000,000
Personnel Services	107,191	975,989	768,750	787,968	807,669	827,859
Total Fund Expenditures	22,559,701	11,450,824	10,959,678	10,452,803	6,991,292	4,827,859
Interfund Transfers - Indirect Charges	96,713	845,181	768,750	787,968	807,669	827,859
Interfund Transfers - Cash Transfers	905,241	-	-	-	-	-
Contingency	38,224,116	33,912,912	28,806,113	19,055,667	12,476,046	6,820,328
Total Fund Requirements	61,785,771	46,208,917	40,534,541	30,296,438	20,275,007	12,476,046